AUGUST 1984

Lawn & Garden Marketing

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PACKAGING

New designs lure impulse buyers

Page 6

PRODUCT PARADE

at the NHS

page 54

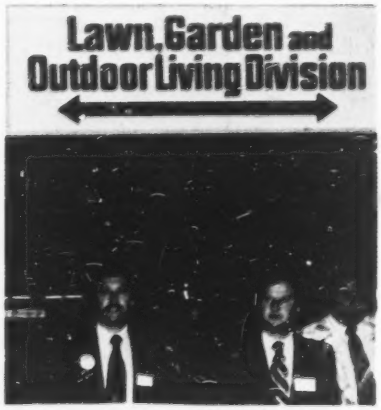
AUGUST 1984 VOL. 23 No. 7 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.

6 Cover Story: Once the stepchild of advertising, product packaging is now a $50 billion-a-year industry, with a product's success hinging on the package's impulse appeal.

(Cover photo by Kevin Callahan; photo location courtesy Shawnee TG&Y, Shawnee, KS.)



24 NHS: The National Hardware Show adds some features to the Lawn & Garden Div. and continues to expand the products and packaging exhibitions.

6 Product Packaging: Volume retailers want more color, how-to graphics. How can you attract the attention of shoppers when they spend 13 minutes in your store? Companies will spend months and hundreds of thousands of dollars to find out.

24 Refocusing on lawn and garden: 1984 NHS. Sponsors of the giant Chicago show react to the Louisville Expo.

34 Product Movement Report. How eight product categories sold this spring.

36 OPEI buoyed by Expo, good sales. At the OPEI's annual meeting, optimism for the future replaces past years' anxiety about the acceptance of compliance mowers.

42 'Mowers to return to 5 million mark.' OPEI expects mostly rosy years for the outdoor power equipment industry.

54 Product Parade. Start planning your Chicago activities. This special section previews some of the products—some to be seen for the first time—that will be exhibited in the Lawn & Garden/Outdoor Living Div.

DEPARTMENTS

2	Editor's Notebook	80	Feedback
17	ABCs of Composting Equipment	81	Reader's Feedback Card
66	Green Scene	94	In the News
68	Power Equipment Report	95	Calendar

Coming in September: How High-tech Factory Systems Improve Product Profits for Retailers • Post-show Report on Louisville Expo • Report on Growing the Market Seminars • ABCs of Indoor Plant Accessories

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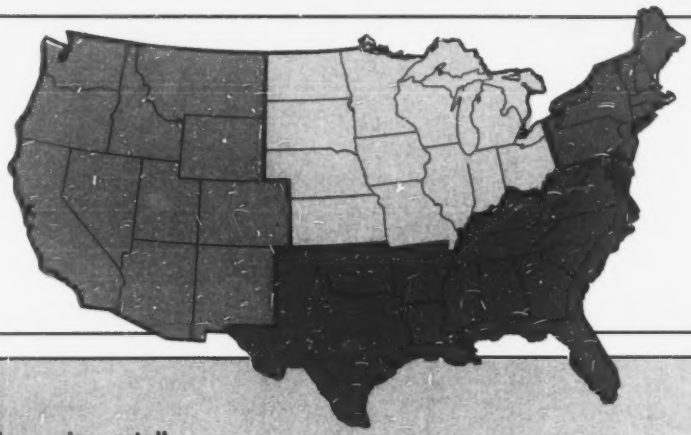
Product Movement Report



■Seven out of the eight product categories measured in the Spring 1984 Product Movement Report by **Lawn & Garden Marketing** showed improved retail sales volume compared with the same period in 1983. For those products, more retailers responding to the survey said volume was up than those who said volume was down.

The trends suggested by the data are in most cases consistent with reports from suppliers and other sources.

A cold, wet spring prevented sales from reaching expectations in many parts of the Northeast, especially sales of packet seeds and fertilizer, but landscaping products were selling well. One respondent wrote, "People are becoming more conscious of their landscapes." A few respondents suggested that retail owners publicize their stores. One owner said that sales were improved because of a flier on garden tools.

Most of the respondents from the North Central region reported that early spring sales were down because of rain—one reported 14 consecutive rainy weekends—but that sales picked up in May. Several said that fertilizer sales were hurt by competition with lawn care services. Some said higher prices were harming compliance mower sales, but others reported that consumers appreciate the safety features, making the older non-compliance mowers difficult to sell.

"It's been a good year! Everything is selling," was a common comment from Southern respondents, though a few were plagued with dry weather. Green goods, particularly, were mentioned as hot sellers, and respondents said vegetable gardening is on the increase.

Respondents from the West said that they expected a good year in 1984. Some are having a good year, but some are having uncooperative weather. One reported that though floods and mud slides hampered early spring sales, May sales tripled compared with 1983. Another wrote, "We went from a dry winter to summer temperatures. We are still waiting for spring."

Garden tools were up, according to about 30 percent of the respondents. The Northeast experienced the highest increase, 32 percent reporting sales to be up, compared with 15 percent last year.

Grass seed also sold better. This year 50 percent of the respondents reported more sales, compared with 1983's 27 percent. Last year 35 percent reported decreases, compared with 6 percent this year.

Lawn fertilizer sales remained stable, with fewer reporting decreased sales (14 percent) this year than last (25 percent).

Packet seeds also remained stable with fewer increases and decreases; 45 percent reported sales to be about the same as last year. □

Measuring retail sales trends for spring 1984

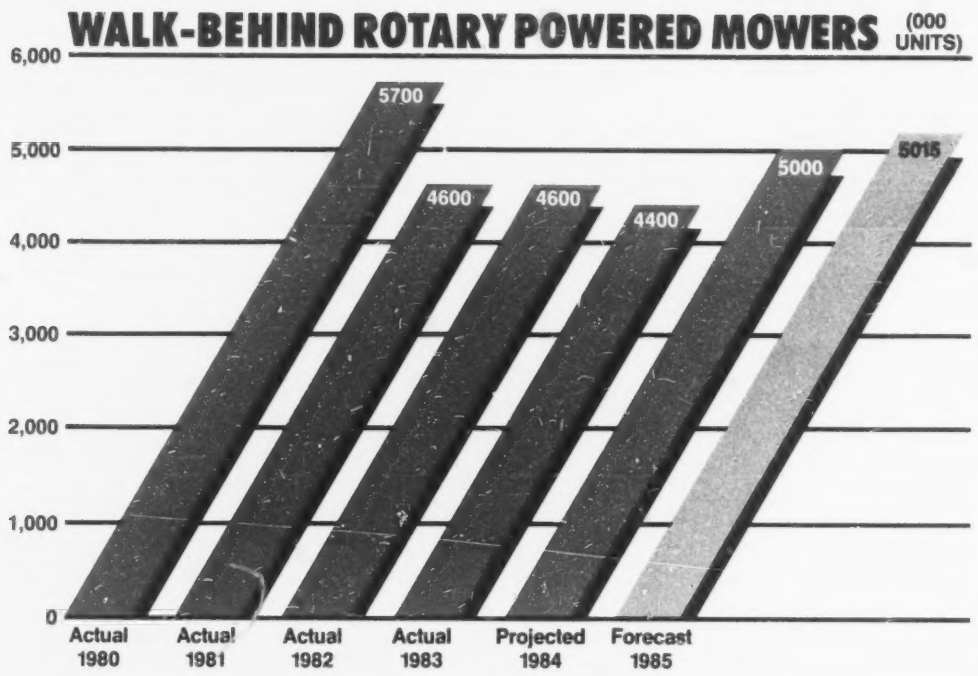
Volume sales and trends compared to last year

Key: ↑ up ↓ down About the same ←→

	SALES VOLUME	TOTAL %	NORTH EAST %	NORTH CENTRAL %	SOUTH %	WEST %	
Garden tools	**up**	**29.5**	**32.5**	**29.1**	**28.5**	**26.3**	↑
	same	**46.4**	**48.8**	**41.8**	**53.2**	**36.8**	
	down	**16.3**	**14.0**	**18.2**	**10.1**	**31.6**	
Grass seed	up	50.0	45.0	51.7	55.6	37.5	↑
	same	38.0	45.0	41.3	33.3	25.0	
	down	6.0	5.0	3.5	3.7	12.5	
Lawn fertilizer	**up**	**35.5**	**37.2**	**29.1**	**40.8**	**36.9**	↑
	same	**37.3**	**34.9**	**50.9**	**28.6**	**26.3**	
	down	**13.9**	**16.3**	**12.7**	**8.1**	**26.3**	
Packet seed	up	22.6	15.0	13.8	33.3	37.5	↑
	same	45.2	35.0	48.3	51.9	37.5	
	down	13.1	25.0	13.8	3.7	12.5	
Replacement parts	**up**	**60.6**	**68.0**	**47.2**	**62.4**	**73.7**	↑
	same	**33.6**	**32.0**	**47.2**	**29.2**	**15.8**	
	down	**3.9**	.....	**2.8**	**4.2**	**10.5**	
Riding mowers/ lawn tractors	up	27.4	33.3	24.2	30.5	20.0	↑
	same	23.1	22.9	17.7	26.1	30.0	
	down	12.4	8.4	19.4	8.8	10.0	
Rotary tillers	**up**	**14.4**	**12.0**	**16.7**	**16.7**	**10.5**	↓
	same	**28.9**	**28.0**	**19.4**	**45.8**	**26.3**	
	down	**28.9**	**44.0**	**30.6**	**16.7**	**21.1**	
Walk-behind mowers	up	28.0	35.4	19.3	37.0	20.0	↑
	same	38.7	35.4	46.8	30.4	40.0	
	down	15.6	12.5	14.5	13.0	26.7	

Percentages do not add to 100 because all respondents do not carry all products.

Current inventory of walk-behind mowers (median no of units per store)	22.0	23.8	19.0	23.0	27.5	



OPE shipments resurge:

'Mowers to return to 5 million mark'

Although the power equipment market is expected to soften in 1987, shipping increases before and after should soften the blow.

■Along with the economy's improving performance, the power equipment market is expected to improve through the rest of 1984 and into 1985.

Through the rest of the decade, the market will soften some in 1987 but will recover strongly in 1988 and 1989, according to projections by the Outdoor Power Equipment Institute, presented at the OPEI's an-

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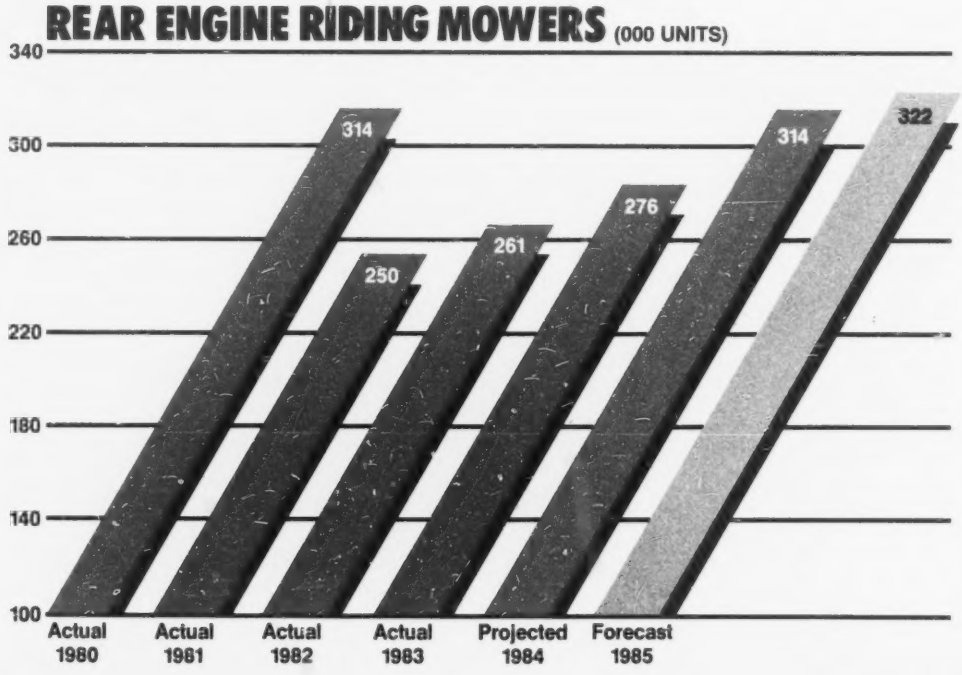
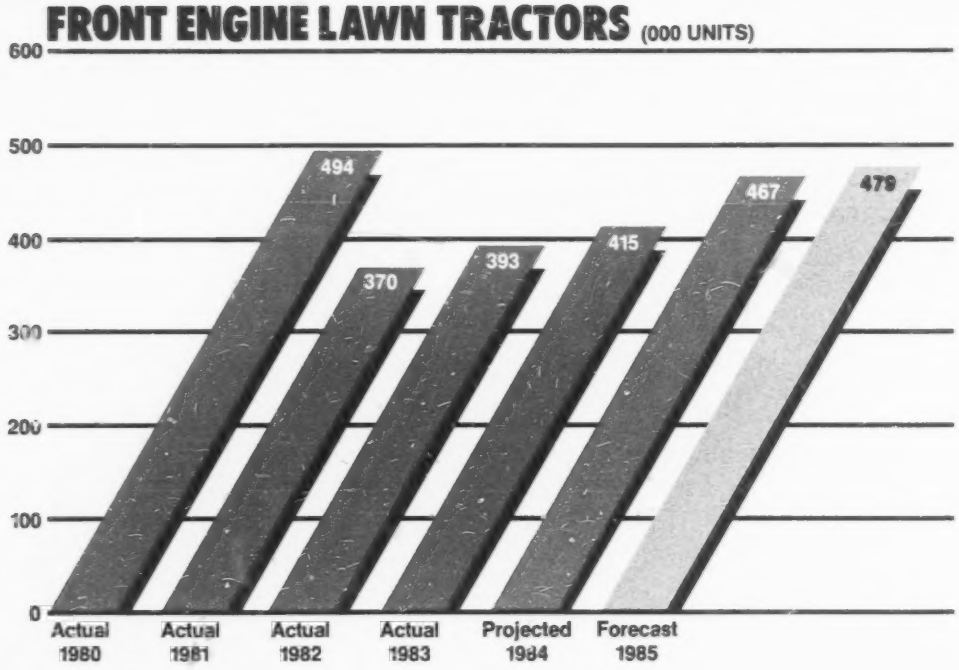


Graphs courtesy of Wheel Horse Products Inc.



OPEI forecast

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nual meeting in June.

OPEI made the estimates after asking member companies to forecast key economic indicators and industry shipments by product class for the model year ending Aug. 31, 1985. The forecasts represent the average of 25 responses from member companies that participated. Wheel Horse Products Inc. presented the findings at the annual meeting.

Among the institute's product categories, only one, walk-behind snowthrowers, is not expected to increase in the number of shipments for 1985. The other categories are expected to post at least modest gains.

The greatest numerical increase is expected in walk-behind rotary-powered mowers. About 5 million units are expected to be shipped in 1984, an increase of about 600,000, and another 15,000 in 1985.

If the projections are correct, 1985 will be the second consecutive year that shipments were in the 5 million range. Shipments from 1981-83 were in the 4.5 million range, down from 5.7 million units shipped in 1980.

Rear-engine riding mower shipments are projected to move about 314,000 units in 1984, an increase of

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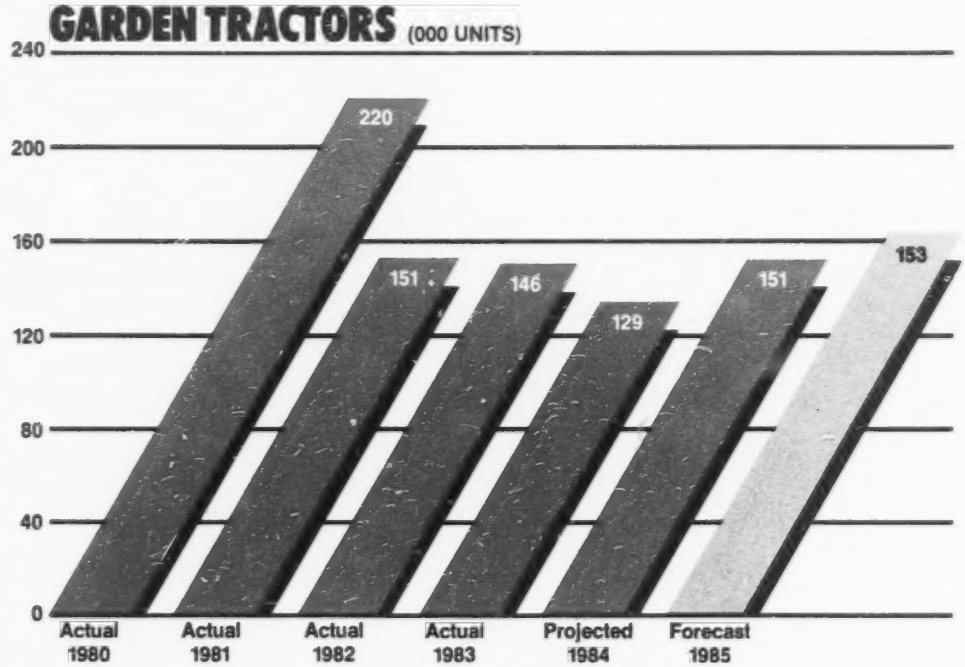

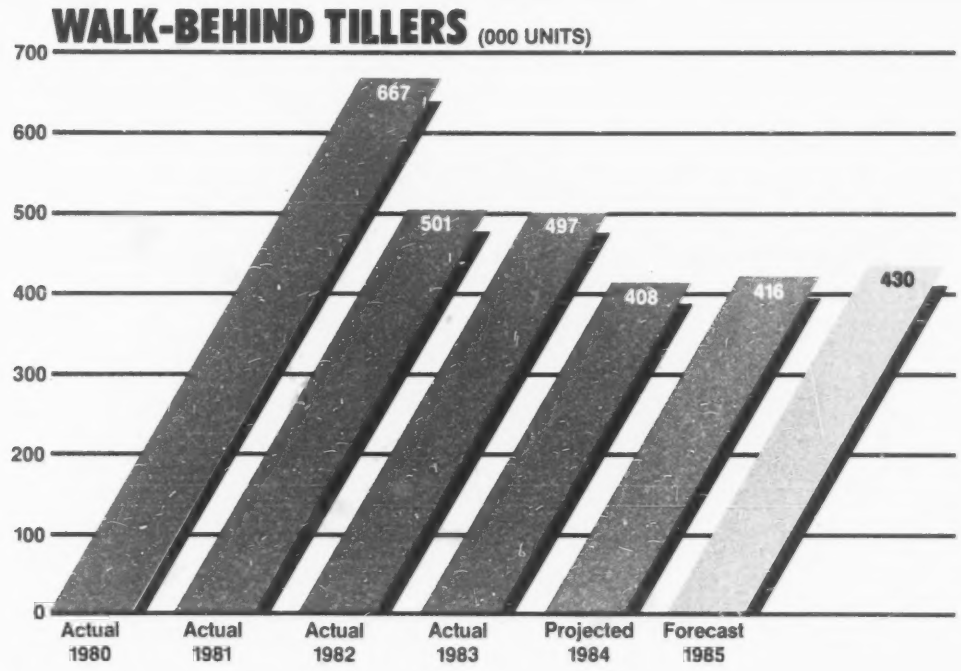

OPEI forecast

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38,000 from 1983. For 1985, about 322,000 shipments are expected, which would be the fourth consecutive year that shipments have increased from the previous year.

That increase started in 1982, when shipments totaled 261,000 units, an increase of 11,000 from 1981's total of 250,000.

In 1981, the market suffered a fairly substantial drop in shipments compared with 1980, when 314,000 shipments were recorded. If 1985 projections are fulfilled, the totals would surpass 1980's total.

Front engine lawn tractor shipments are expected to be similar to the totals for rear engine riders. About 479,000 units are expected to be shipped in 1985, an increase of 2,000.

This increase will also be the fourth consecutive year in which shipments have increased, and would also follow a decline in shipments from 1980 to 1981.

In 1980, 494,000 front engine lawn tractors were shipped. The next year, shipments fell to 370,000. Shipments have increased every year since then.

Although the 1985 total would not quite equal the 1980 shipments total, it would be close to that.

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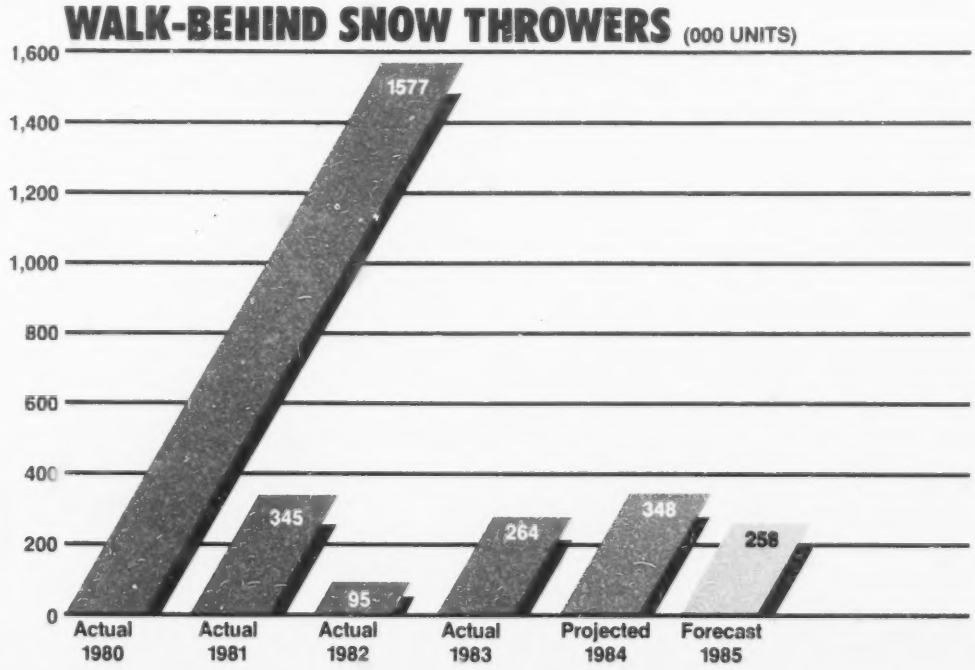
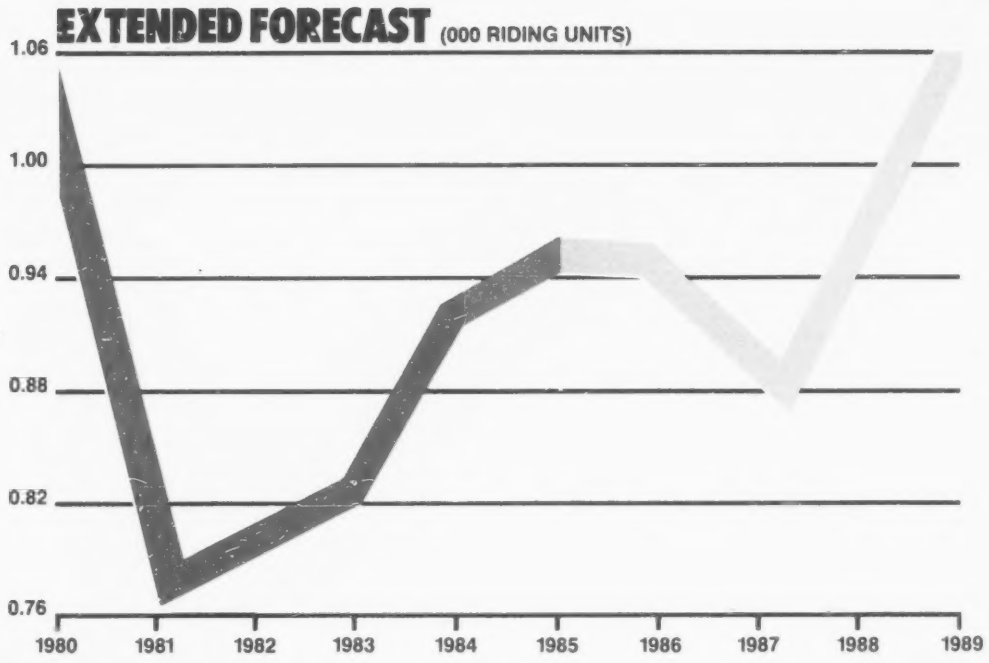




OPEI forecast ...continued from page 46

Garden tractors

Garden tractors, for the rest of this year, are expected to post a good increase compared with 1983 totals. About 151,000 units are expected to be shipped in 1984, an increase of 22,000 compared with 1983. The total for 1985 is expected to be 153,000, a 2,000-shipment increase compared with 1984.

Like rear engine riding mowers and front engine lawn tractors, garden tractors experienced a significant drop in 1981 after a good year in 1980. Unlike these products, however, garden tractors have not been able to recapture the 1980 levels, nor are they expected to.

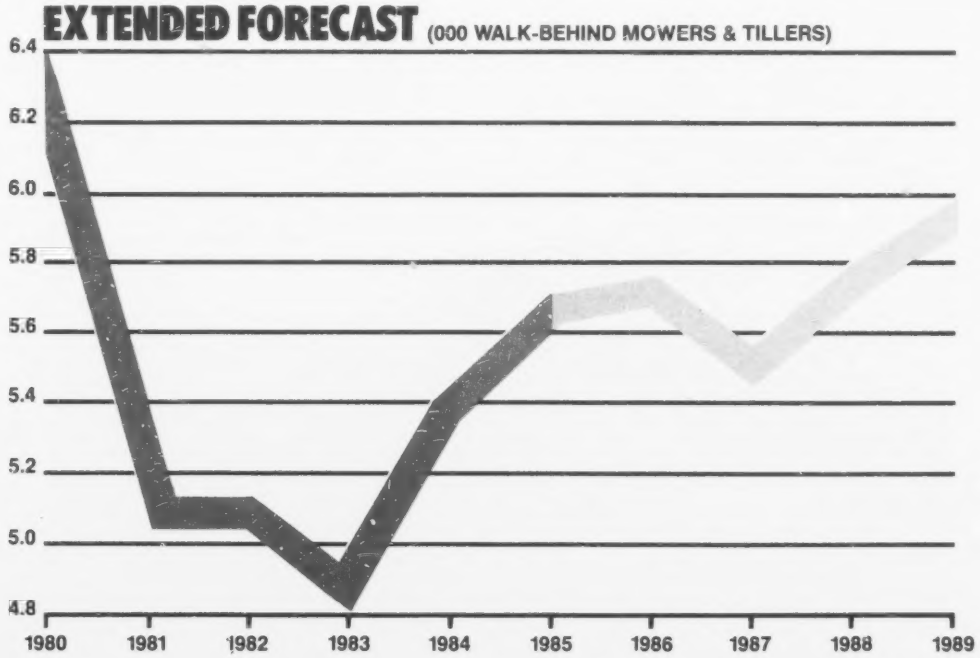
From 1981 to this year's projection, totals have stayed at around 150,000 units except for 1983, when they dropped to 129,000.

Walk-behind tillers are expected to be fairly stable, with shipments expected to be around 400,000. The 1984 total is expected to be at 416,000; for 1985, 430,000.

After a drop in 1981 to 501,000 after a total of 667,000 shipments in 1980, shipments of tillers have stayed in this range. The lowest reported total was in 1983, when about 408,000 units were shipped.

The only significant product not expected to remain stable is walk-

continued on page 72...



Circle (22) on Reply Card

SHOW STOPPER!

Rover Muncher. The garden care "plus product" that guarantees extra profits all year round.

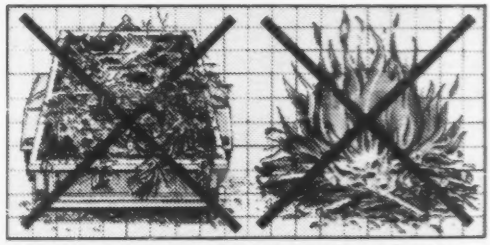
Here are the big benefits your customers are looking for.

No more trips to the dump.

No more smoky, backyard fires. The Rover Muncher instantly shreds garden waste into mulch or the basis of compost.

See this great garden machine at . . .

Booth 1851 at the National Hardware Show.



These days are over with the Rover Muncher Electric Shredder.

Great Garden Food Maker.
Leaves, twigs, small branches, bark and even kitchen scraps.
A special chute takes branches up to 1¼ inches thick.
Muncher
ROVER

Painted an attractive "garden green" the all-steel body is also rust-proofed for extra durability.
Muncher has in-built safety features and is UL approved.
A lightweight, easy to handle, portable machine, the Rover Muncher rolls to wherever the rubbish is.
Also folds down for compact storage.
Muncher
ROVER

Circle (36) on Reply Card

ROVER

Muncher.

Great Garden Food Maker.

OPEI forecast

...continued from page 53

behind snowthrowers. Shipments for 1984 are expected to increase compared with 1983, but another drop is expected in 1985, continuing an erratic five-year pattern.

About 348,000 units are expected to be shipped in 1984, but only 250,000 units are expected for 1985.

Shipment totals have been erratic since the market tumbled from a high of about 1.5 million units in 1980 to 245,000 units in 1981. (See the June **LGM** for a report on the snowthrower market.)

Five-year outlook

For riding units, the market is expected to increase as it has since 1981, with a peak in 1986. About 96,000 units are expected to be shipped that year, with a drop to about 88,000 units in 1987.

The market will then recover dramatically in 1988. OPEI says, with shipments exceeding 1 million units in 1989.

A similar pattern is expected for the walk-behind category. Sales will peak in 1986, after yearly increases since 1983, with a peak at about 5.7 million units.

The decline in 1987 is expected to be fairly modest, to about 5.5 million units. Shipments are expected to increase to about 5.8 million by 1989.

Members participating in the report also predicted modest shifts in the channels of distribution for 1985, with exports causing the major change.

For 1985, about 3.1 percent of the total shipments are expected to be exports. This is a drop of almost half the total in 1981, when 7.6 percent of the total shipments were exported.

The rest of the distribution picture is expected to change very little. The category of merchandisers and other distributors is expected to make up 43.9 percent of the total, a slight increase from 1981's total of 42.7 percent.

The total of wholesale distribution is expected to be 37.1 percent, compared with 34 percent in 1981. Retail distribution is expected to increase slightly in 1985, to 15.9 percent compared with 15.7 percent in 1981. □